

1 October, 1999 – 31 March, 2000

Semi-annual Report Tanzania

Embassy of Sweden
Dar es Salaam



Sida

SWEDISH INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY

Department for Africa

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1. Political Development

Looking back over the last six months period, and with approximately six months left till the general elections on the Mainland and in Zanzibar at the end of October, some problems can be noted. The political debate in the country has focused on the lack of substantial progress in the dialogue for reconciliation between the ruling party CCM and the main opposition CUF after the “mwafaka” – agreement was signed by the parties in Zanzibar in June last year. Essential issues related to the elections in October such as the chairmanship and composition of the Zanzibar Electoral Commission remain unresolved. Nor has the issue of the treason trial been solved two and a half years after the arrest of the 18 CUF members. Instead, a further polarisation has taken place between CCM and the Government of Zanzibar on the one hand, and leaders, members and supporters of CUF, on the other. The manifestations of harassment of opposition parties and their followers have intensified, in particular in Zanzibar but also on the Mainland. However, one step forward was the decision by President Amour in Zanzibar to abide by the orientations issued by CCM (Union) that the discussion of a change of the constitution necessary to make it possible for the president to run for a third consecutive term shall be postponed till after the elections this fall.

The European Union has repeatedly made the Union Government aware of EU’s serious concern regarding intensified harassment of the opposition, continued violations of human rights (i. a. the still unsolved treason trial case), and other manifestations of lack of progress in the political climate, in particular (but not only) in Zanzibar. Unfair restrictions on media access for the opposition, combined with interference with freedom of meeting and expression, risk undermining the democratic nature of the coming elections in Tanzania.

The construction of the Union between Zanzibar and the Mainland has been increasingly questioned in wide political circles in the country after the publication of Judge Kissanga’s White Paper report on constitutional changes. The proposal by the Government, which deviated from the Kissanga Report, was voted through in the Union Parliament by the CCM majority, under heavy criticism from the opposition parties. As a result, the presidential powers have been strengthened, whereas multi-party democracy has suffered a set-back. The manner in which the Government handled the constitutional reform process raises doubt about CCM’s willingness to adapt to the norms of multi-party democracy.

Preparations for the October elections in the Union are on-going with support from the international community. As regards election preparations in Zanzibar (reforms of the electoral law and the Zanzibar Electoral Commission), Sweden and some other countries have financed consultancy work to prepare for necessary reforms. Progress has as yet been far from sufficient due to apparent resistance from the GOZ and CCM-Zanzibar. Serious political confrontations have occurred lately between the authorities in power and CUF.

In November 1999 Tanzania signed the EAC Treaty together with Uganda and Kenya. This can be seen as an important step towards intensified political and economic co-operation and regional integration (trade and investments) for the future. Many fundamental problems remain unsolved, however, such as those mentioned in section 2.4 of this report.

Tanzania continues to play an active role in facilitating a solution to the war, conflicts and socio-economic crises characterising the Democratic Republic of Congo and neighbouring states in the Great Lakes region. The heavy burden of a huge refugee population in Tanzania's Western regions has continued to impact on the ecology, economic development and internal stability in the areas concerned. Tanzania's role in the peace-making and reconciliation process concerning Burundi has continued after the deceased former facilitator and former president Julius Nyerere was succeeded by former president Nelson Mandela. Together with Nyerere's team Mandela has pursued and intensified the efforts made both in Arusha and outside Tanzania to lead the opposing political factions and armed groups to a sustainable agreement concerning the future of Burundi. There have been contacts between the ministers of defence in Burundi and Tanzania concerning armed incidents and other conflicts near the common border. A joint "Communication" was signed in January; it was agreed that the security at the border between the two countries shall be improved. A new meeting is foreseen to be held in May.

Bilaterally, relations between Sweden and Tanzania in the fields of political dialogue, development co-operation, investment and trade have been further promoted during the past six months. Examples of essential dialogue issues are the rapidly spreading HIV/AIDS pandemic and the widespread corruption and embezzlement of funds. GOT has declared its ambition to reduce and then eliminate corruption with support from the international community but so far results are not very encouraging. Government leadership concerning the fight against HIV/AIDS continues to be weak.

2. Macro-economic Development

The Government of Tanzania continues to be successful in its efforts to obtain macro-economic stability. The estimated economic growth rate for 1999 according to the World Bank is 4,6 percent. The projected growth for 2000 is 5,2 percent. The government budget has remained balanced over the period as a whole although there was slippage in both revenue collection and expenditures in the first quarter of the financial year 1999/00. Inflation has continued to decline and at the end of February the headline inflation was 6,3 percent. The interest rate spread between savings and lending rates is still very high, and has narrowed only marginally during the last months. Official foreign reserves by the Bank of Tanzania were equal to more than four months of import at the end of 1999. The exchange rate has remained stable since last summer, mainly due to improved performance of the export sector and the decision of the Bank of Tanzania to purchase more than 50 percent of all foreign exchange offered in the Inter-bank Foreign Exchange Market. Tanzania has now reached its decision point under the enhanced HIPC initiative, which will help Tanzania to advance its poverty reduction programmes and stimulate economic growth.

2.1 Government Finances

During the first quarter of 1999/00, there was some slippage both on the revenue and the expenditure sides. According to the Government the reasons for the shortfall in revenue include a shortfall in donor funds, the customs tariff reform leading to below projected tariff incomes, unexpected VAT refunds, VAT and import duty tax evasion, and miscalculations in revenue from certain government agencies and funds which are allowed to keep some of their revenue collected (e.g. the road fund). During the second quarter the Government took forceful measures to increase tax collection to make up for the shortfall, and the total revenue collection from July to December, 1999 was actually 102 percent of the estimates. On the expenditure side, the wage bill increased more than expected during the first quarter due to a "mass promotion" of teachers (leading to higher salaries) and other salary adjustments, including for some military personnel. The funeral arrangements for the late President Nyerere was of course a large unbudgeted expenditure. Due to the forceful measures taken by the Government to restore the budget balance, expenditures in all sectors have suffered during the period from October, 1999. Cumulative disbursement figures up to February, 2000 show that salaries have been paid out in accordance with the budgeted figures, while other expenditures have received less than had been budgeted. The Government was not able to protect the social sectors every month, but for the whole period non-salary expenses in these sectors have received 93 percent of what was budgeted, while most other sectors have received less than that.

The Public Expenditure Review (PER) has become an annual process in Tanzania, and is now an input to the Government's regular budget cycle. The PER is chaired by the Government, but facilitated by the World Bank

and other donors. Sweden is part of the Working Group leading and monitoring the process throughout the year. In this year's PER Sweden has financed the update for basic education. The yearly PER workshop will take place 2–3 May, 2000.

2.2 Economic Reforms and Relations with the Bretton Woods Institutions

Tanzania has now reached its decision point under the HIPC initiative, after discussions in the IMF and World Bank Boards in late March and early April, 2000. For more details, see 2.3 below.

The World Bank has concluded negotiations with Tanzania on a new Programmatic Structural Adjustment Credit (PSAC). The proposed credit will be discussed in the World Bank board in June, 2000. The whole programme is four years, but the contractual arrangements will be in two phases, with the World Bank only committing for the first phase to start with. The total amount committed by the World Bank for the first phase will be USD 190 million. The initial tranche of USD 30 million will be available without conditions. The four following tranches of USD 40 million each will be floating tranches depending on progress in the following areas:

- 1) *Sustained macro stability*: protected budget allocations in priority areas consistent with the budget;
- 2) *Governance*: to establish a credible budget process and improve the effectiveness in the delivery of public services: public finance management, anti-corruption measures and accountability, and efficiency in public service delivery;
- 3) *Business Environment*: to remove major policy-related and institutional impediments to private investment, increase private participation in priority sector delivery, and efficiency of business operations: legal framework, investment facilitation, agricultural crop movement, tax regime and capital markets;
- 4) *Regulatory framework*: for key markets in service sectors to enhance transparency and competition: infrastructure and utilities;
- 5) *Privatization*: to privatize specific public enterprises; develop satisfactory action plans for privatizing or concessioning others, to increase private investment in agriculture across small and large producers and marketing agents: infrastructure, financial sector and agriculture.

The IMF has approved a three-year loan for Tanzania under the Poverty Reduction and Growth Facility (PRGF). The whole programme amounts to about USD 181,5 million, out of which the about USD 80,7 million will be disbursed during the first year. Tanzania's economic programme for 2000–2002, which is the basis for the PRGF lending, focuses on removing impediments of higher growth, with the aim of reducing poverty. To this end, the key objective is to achieve economic growth of at least 6 percent annually. At the same time, expenditure control mechanisms and tax ad-

ministration are being strengthened, while monetary policy is designed to further reduce inflation. Structural reforms to deepen financial and capital markets are expected to provide additional resources for private sector investment.

In addition to the completion of the tax reform and further improvements in tax administration and a focus of expenditures on the priority sectors in the context of a medium-term framework, an important aspect of fiscal policies in the next few years will be the strengthening of expenditure control through the full implementation of a new integrated financial information and management system.

The structural reform agenda includes restructuring and privatization of utilities and other parastatal monopolies and the implementation of regulatory frameworks. Other public sector reforms will be based on the recently approved Public Service Reform Programme, which includes further rationalisation of the civil service and the continuing improvement of salaries, resources permitting, to competitive levels.

2.3 Balance of Payments and Debt Situation

The trade deficit during 1999 increased with 13 percent as compared to 1998. Traditional exports declined due to both price factors and a lower production volume due to adverse weather conditions. Non-traditional exports on the other hand, increased by 13 percent. This performance was mainly attributable to increase in earnings from minerals with gold contributing the largest share, followed by horticulture and other exports. Fish exports suffered from the ban on imports to EU member countries of fish from Lake Victoria. Imports of intermediate and consumer goods increased, while that of capital goods remained unchanged as compared with 1998. Imports of food and foodstuff went down by more than 20 percent as compared to 1998, reflecting improvements in the domestic food supply situation.

The shilling has remained very stable in nominal terms at around Tsh 800 per dollar during the whole six-month period.

The external debt at the end of 1999 stood at 7 billion dollars, while domestic debt amounted to 1,2 million dollars. In late March and early April, 2000 the IMF and the World Bank boards agreed to support a debt reduction package for Tanzania under the HIPC (Heavily Indebted Poor Countries) initiative. The total value of the debt relief under the initiative is between USD 2–3 billion. This is equal to about one-half of Tanzania's debt-service obligations during 2001–2003 and about one-third of Tanzania's debt-service obligations thereafter. Tanzania has now reached the decision point under the HIPC, and will get access to interim debt relief amounting to 0,6 percent of GDP. After completion point the debt relief will amount to 1 percent of GDP. The conditions which need to be fulfilled before Tanzania reaches completion point include:

- Maintenance of a stable macro-economic environment, and implementation of specific reform measures in the areas of governance, government financial management, tax reform, improvement of the business environment, and improvement of utility performance;
- Completion of a poverty reduction strategy paper (PRSP) and a first annual progress report on the paper's implementation, both of which need to be broadly endorsed by the Executive Boards of the IMF and the World Bank.
- Implementation of a set of other measures specifically related to poverty reduction, including improvements in the poverty database and monitoring capacity, provision of allocations in the budget for 2000/01 in line with poverty reduction objectives, progress in certain planned health and education measures;
- Confirmation of the participation of other creditors in the debt relief operation.

2.4 Private Sector Development

Tanzania's progress in terms of creating and maintaining macro economic stability clearly contributes to gradually improving the environment for private sector development in the country.

However, a number of serious constraints for private sector growth still exist. These constraints include an inappropriate and erratic policy and regulatory environment, which creates uncertainties and increases transaction costs for doing business in Tanzania. In addition, utility costs are still high and infrastructure facilities are under-developed. Business support services and access to financial products for small and medium sized companies, including informal sector entrepreneurs, are limited. Moreover, the legacy of Tanzania's socialist past has created a non market-based culture, where the Government has difficulties in understanding the needs of the private sector, and where the private sector has difficulties in posing the right demands on Government and in understanding the fundamentals of successful business development. i.e. markets, competition, efficiency and competitiveness.

During the past six months, initiatives have been taken to improve and intensify the dialogue around some of these issues. One such example is the meeting in January 2000 between President Mkapa and the four Heads of Mission from Canada, France, the United Kingdom and Sweden, during which the difficulties affecting the operations of existing businesses and inhibiting new foreign investments in Tanzania were discussed. The President subsequently initiated seminars with key ministries and with the private sector to further explore the matter. The creation of a National Business Council marks another important step in the on-going work to improve the relationship and exchange of information between the private sector and the Government. This forum for dialogue between the parties, headed by the President, was formally established in March 2000.

As has already been mentioned, the signing of the EAC Treaty last year was made after protracted negotiations between Kenya, Uganda and Tanzania. The common trade and investment protocol proved particularly difficult to handle, and the issue of removing trade barriers between the countries is still not resolved. In Tanzania, it has been felt that fierce competition might kill the local industry if the country's markets are opened up too quickly to the neighbours. The same fear is likely to have had an impact also on Tanzania's announcement to withdraw from COMESA. The Government's position on COMESA is however challenged by parts of the business community. The Chambers of Commerce have recently initiated two studies on the subject; one looking at the competitiveness of Tanzanian industry in the COMESA-context, the other one analysing the costs and benefits linked to a withdrawal from the trading block. The outcome of these studies will constitute an input in the on-going dialogue between the Chambers and the Government on this issue.

3. Social Development

3.1 Refugees

At present there are approximately 500,000 refugees in the camps in the western part of Tanzania, mainly from Burundi and the Democratic Republic of Congo. The numbers of new refugees fluctuate between a couple of thousand to less than a hundred per week depending on the situation in Burundi and DRC.

A recent joint WFP/UNHCR Food Needs Assessment Mission estimated that there is a 53% shortage of food for their operations during the year 2000. This means that the situation will become critical in July this year. WFP/UNHCR are at the moment negotiating with three donors to fill the gap and hope that agreements will be ready before the end of April. There is an urgent need to come to quick decisions since the transport time for the relief food is two months.

The joint team found that the nutritional and health situation has improved considerable since the 1998 assessment. There is a high birthrate in the camps which is a health risk for the mothers when there is a short time span between the births.

The refugee operations costs 1 million US\$ per week. The costs are unsustainable in the long run and measures will be taken to cut them down. The situation is, however, precarious since there are few developments in Burundi which could lead to a situation in the near future where repatriation is possible. On the contrary there is a fear that the new camps with time could become permanent settlements for the refugees. This is a concern for the Tanzanian government which is unwilling to accept proposed measures to increase self-reliance in the camps.

3.2 Food security

The food situation is reported to be satisfactory in most parts of the country. Pockets of temporary deficiency will occur during the period March – June along parts of the coast south of Dar es Salaam. Permanent food insecurity persists in the central regions of Tanzania. It was recently announced that 7 million people, one quarter of the country's population, live in areas with more or less permanent food deficiency. Areas identified are the dry central parts of the country, parts of the northern districts and the coastal strip. Notorious for high prevalence of food insecurity and need for relief food are the regions Dodoma and Singida and parts of Tabora and Shinyanga. Subsistence is here dominated by rain-fed agro-pastoralism, in some areas on exhausted soils.

The Embassy has commissioned Tanzania Food and Nutrition Centre (TFNC) to carry out food security, nutrition and poverty studies in Serengeti and Bunda districts and later on also in Ukurewe district. The studies will be used for the preparation of a natural resource and production focused district development support to these districts. The results will also deepen the data on food security in selected districts. It will thus supplement similar studies, like the Save the Children Fund study *Household Food Economy Assessment in Dodoma, Singida and Arusha Regions*.

4. Swedish-Tanzanian Development Co-operation

4.1 Partnership in Development

At present intense work is ongoing by the Government of Tanzania to finalise the "Tanzania Assistance Strategy" (TAS). An informal draft TAS has just been presented to the TAS Working Group members, and a formal draft will be presented at the CG meeting which is scheduled to take place in Dar es Salaam 22–25 May. The TAS will be the framework where long term policy choices laid down in the Vision 2025 will be translated into medium-term action plans. TAS' participatory character will enhance the Government's ability to knit the different donor efforts together with Tanzania's own efforts aimed at poverty reduction, be it through the public budget or through private sector or NGOs. It is envisaged that all major donors will use the TAS as an umbrella for their own strategies for development co-operation with Tanzania. The TAS will also be the basis for the new Poverty Eradication Strategy worked out as a condition for debt relief under the HIPC initiative.

The Embassy, in collaboration with Sida, is working on a new country strategy to be in place by 2001. Drafts of a country analysis and results analysis for the various sectors have been completed. A hypothesis paper based on the draft country analysis and preliminary ideas for the future

development co-operation between Sweden and Tanzania was sent to the Ministry for Foreign Affairs in Stockholm in March. Government instructions for the work to formulate the final strategy are expected in early May. The analytic work was underpinned by a number of stakeholder discussions in Sweden (Swedish NGOs) and in Tanzania (the Government of Tanzania, academicians, Swedish and Tanzanian NGOs, Swedish business persons, consultants financed by Swedish funds in development programmes, and donor representatives). An independent analysis of the current programme is in its final stages.

A visit to Tanzania by the EU Commissioner for Development Co-operation, Poul Nielson, took place in March, when matters of post-Lomé co-operation and trade policy issues including the insufficient access to EU markets for African agricultural products were discussed. Tanzania played an active role in the recent EU-Africa summit in Cairo where issues of debt relief, democracy, good/bad governance and human rights were among the topics in focus.

4.2 Poverty and Gender issues

The Government has prepared its Beijing +5 report and attended the regional and international meetings in Kampala, Addis Ababa and New York. Donors and NGOs were invited by the Ministry of Community Development Women Affairs and Children to contribute with information about their activities to promote equality between women and men. This was appreciated but simultaneously taken as an indication that the ministry, as the co-ordinating unit, on a continuous basis needs to be more pro-active in being informed about what is going on in the country.

Sida's new gender profile called *Towards Gender Equality in Tanzania: A Profile on Gender Relations*, was distributed early this year. It is the first attempt to analyse the situation of and relations between both women and men. It is well received and widely used in discussions and training.

A new Tanzanian WID/GAD (Women in Development) policy is under preparation. It is being prepared by the Ministry of Community Development Women Affairs and Children. Our information shows that very few outside the ministry have been involved in or consulted in the policy formulation process. Its preparation therefore markedly contravenes the positive developments which have surrounded the development and formulation of other policies in Tanzania.

The BAWATA case is still pending in the high court. It is soon three years since BAWATA submitted its petition. This delay causes a legitimate fear that one of the most efficient civic education organisations during the 1995 election will not be able to provide its services during the elections the year 2000. Justice delayed is justice denied.

Poverty Reduction

Poverty reduction has once again become the top item in the development discourse. Years of work and lobbying eventually bore fruit when the World Bank/IMF meetings in September 1999 announced their new poverty focus. Suddenly poverty reduction was placed highest up on the development agenda. As a consequence Tanzania is, in collaboration with the major development partners, developing its Poverty Reduction Strategy Paper (PRSP) under the HIPC process. Much groundwork had been done through the *Vision 2025*, presented by the President's office in 1999, and the *National Poverty Eradication Strategy*, prepared by the Vice-President's Office in 1998.

The government has, supported by UNDP and through a consultative process, developed a *Poverty and Welfare Monitoring Indicators* document (November 1999). The indicators are grouped in 14 key items (sectors) where 73 indicators have been selected. These indicators will be used to provide information on poverty in Tanzania. The indicators can be grouped into three categories according to their source. The first category is mainly collected through the administrative system whereby lower levels regularly transmit required information to higher authorities. The second category include data from censuses and surveys like population census, agricultural sample survey, and household budget survey. The third type of indicators are collected at village level for use by the village.

Requests for a new Household Budget Survey (HBS), as a base line for monitoring poverty reduction efforts, have followed in the wake of the new poverty reduction focus. The National Bureau of Statistics has been commissioned to carry out this survey. External resources will come from Sweden, Denmark, UK, Canada and UN. Through special funding a Labour Market Study and a Child Labour Survey will also be attached to the HBS.

The Embassy has contributed to put poverty on the top of the development agenda. A concrete example of this is the Embassy's facilitation of the DAC/OECD In-country Consultation on the draft *Guidelines on Poverty Reduction in Development Co-operation*. These guidelines are being prepared by the DAC/OECD informal network on poverty reduction. The consultation in mid-March, to be followed by other consultations at national (Bangladesh) and regional (Latin America, Africa and Asia) levels, strengthens the position of poverty reduction as the top item on the development agenda of the DAC/OECD members.

The civic society in Tanzania has recently started to mobilise an opinion and establish a network to be able to influence the PRSP formulation process. The main issue is the demand for a more comprehensive debt relief than the extended HIPC. Unfortunately the network was established during a late stage of the process and it remains to be seen if the civil society in Tanzania will manage to influence the process.

As part of the new Swedish country analysis and country strategy process a course on poverty analysis and poverty reduction was held in November 99 for all staff of the Development Co-operation Division at the Embassy. The

course covered topics like how to define, measure and study poverty, co-ordination of efforts to reduce poverty through partnership on poverty reduction, and cross cutting issues like gender and poverty, human rights, democracy and poverty and sustainable livelihoods. The course gave the embassy staff a common understanding of and platform to carry out a country analysis with a poverty focus.

4.3 Democracy and Human Rights

The preparation of a long term strategy for support in the area of Democratic Governance is well under way. The result analysis of the support given to Tanzania since 1997 is finalised. Since November 1999 the preparation process has partly been integrated in the ongoing country strategy process as regards the analysis of the human rights and democracy situation and application of principles of good governance in Tanzania. The Strategy is planned to be finalised in August 2000.

The support to *AWEPA* has been concluded. Through the support, members of Parliament were provided with a forum for informal discussion and coalition building. The Parliament staff have been trained and upgraded. Parliamentary committees have been given the chance to learn from experiences from other countries.

Parliamentary Political Parties Committee (PPPC) has successfully trained 1786 political leaders at grassroots level between January and December 1999. Interaction between political leaders at this level has helped to create a more friendly atmosphere in political life. From January to March 2000 eight district workshops have been completed

Law Revision, tendering for the printing of the revised laws of Tanzania has been successful and the work is underway. This will be the final phase of Swedish support to *FILMUP*.

The objective of Sweden's support to preparations for the *elections* in October 2000 and civic education is to contribute to the consolidation of multi-party democracy in Tanzania through the conduct of nationally and internationally recognised, free and fair multi-party elections for President, Parliament and Local Government in October 2000. The Embassy has decided to contribute financially to the joint financing arrangement on support to the election for the purpose and objectives set out in the Memorandum of Understanding signed by Sweden on 17 November 1998. Denmark is the lead donor in this exercise.

The general objective of the support for the election is to assist the Tanzanian Government and civil society in their efforts to obtain the following:

- to achieve an election preparation and election process which to the highest degree possible can be considered free and fair and leads to national and international recognition of the results of the elections;
- to provide for higher quality elections at lower costs (improve efficiency);

- to improve voters' participation and understanding of their rights and duties.

The total funds will be distributed between the National Election Commission and civil society. The Embassy will participate in the Election Project Committee where all applicants, projects, contracts, other arrangements or changes in the project or in the implementation are screened and decided. Sweden will provide a total contribution of SEK 20 million to the joint financing arrangement.

4.4 Economic and Civil Service Reforms

i. Balance of Payments Support

The Multilateral Debt Fund (MDF), which was established in 1998, has become a success, and is a very useful instrument for donor co-ordination and regular dialogue with the Government of Tanzania on macro-economic and budget issues. So far Sweden, UK, Netherlands, Norway, Ireland, Finland and Denmark have disbursed money into the fund since its inception. Switzerland has just decided to make its first contribution to the fund. Due to the expenditure ceiling imposed by the Government of Sweden, all balance of payments support for 1999 was cancelled. However, in March, 2000, the Government of Sweden decided to provide a long-term balance of payments support to Tanzania. The country will receive SEK 160 million during 2000, SEK 80 million during 2001 and SEK 80 million during 2001. This is the first time that the Swedish Government has granted balance of payments support for a multi-year period. The purpose is to give Tanzania greater scope for long-term planning in budget work thereby enhancing their strategies for poverty reduction in coming years.

In early April 2000 a joint Government of Tanzania/donor review of the MDF is taking place, in order to review the experiences from the MDF over the period 1998/99 – 1999/00, and to consider implications for the design of an extension or redesign of MDF arrangements to cope with budget support post-HIPC. The likely outcome of the review will be the establishment of a new facility, Poverty Reduction Budget Support (PRBS), keeping the main features of the MDF, including the link to the social sectors, but delinking the fund from multilateral debt service.

ii. Public Administration

The specific agreement on Public Administration was extended from December 1999 to June 2000 as requested by the Ministry of Finance. At present discussions are held with the Tanzanian government on the direction and composition of the future support within the area of democratic governance. The next sector review will be carried out early May 2000.

The co-operation with the Ministry of Finance on *the Government Accounts Development Programme* has continued the implementation of the Integrated Financial Management System (IFMS/Platinum). Additional donor support has been provided for implementation of the IFMS across several donor

supported activities (TRA including the regional offices, Health and Education Basket Funds, Local Government Reform Programme and Ministry of Finance).

During 1999 some progress was made in the ongoing restructuring of the Accounting Cadre. All 30 staff for the Systems Development Unit initially contracted by the project were formally recruited into the Civil Service as of 1 July 1999. Further, the government gave permission in December 1999 to recruit 70 additional staff to facilitate establishment of five sector-based Financial Management Units. Complementary EU funding has been agreed to finance the five Financial Controllers for a period of two years of the contract. Three Deputy Accountant Generals were appointed to fill the vacant posts in the Accountant General's management group. Extensive training programmes continue to build up the capacity within the Accountant General's Department and the Accounting Cadre.

Within the support to *Interim Budget Development Programme* the introduction of performance budgeting is proceeding in line with the plan. The Budget Division has developed a Performance Budgeting Operations Manual that was used in training of the budget actors from all the ministries and departments in performance budgeting. Consequently, the ministries and independent departments developed visions, missions and objectives for their organisations and these were included in their Annual Reports and Service Development Plans (ARSIP). The ARSIP's were part of the 1999/2000 budget submission. The assessment of these budget submissions revealed that this new conceptual framework for budgeting is taking root and the different government institutions managed to develop budgets based on outputs.

The Sida financed support to *gender budgeting* slowly takes off. A workshop was held in March with budget officers from the Ministry of Finance and six other ministries. The workshop was facilitated by gender-budgeting experts from TGNP (Tanzania Gender Networking Programme), the University of Dar es Salaam, and a Swedish consultant. The arrangements include the options for the six line ministries to call upon TGNP to receive 10 days each of consultancy service. It is also stated in the Budget Guidelines for 2000/2001, prepared by the Ministry of Finance, that these ministries should seek this assistance in their preparations of the next budget.

The work to reclassify the budget in line with the Government Financial Statistics system (GFS) has not been finalised yet. The aim of the reclassification is to facilitate budget analysis as well as making the budget more transparent. The implementation of the Integrated Financial Management System (IFMS/Platinum) including the Budget Manager module and GFS classification is expected to greatly improve the overall monitoring of the budget performance. However, in year 2000/2001 only revenue and recurrent budgets will be processed using the Budget Manager. The development budget will be included after it is reclassified into the GFS system.

Within the Public Debt Management component the on-lent loans database (100 loans) has been established. Two domestic debt databases have been established, one for bonds and stocks and one for treasury bills. A grant database has also been established and 180 grants have been entered in the database so far. The progress is however slow as the External Finance Department is failing to submit relevant information to Accountant General's Department. This is undermining the accounting for grants received and thereby the analysis, transparency and accountability.

The support to *the Gender Unit at the Civil Service Department* was evaluated in November 1999 (see section on Poverty and Gender). The evaluator found that the Gender Unit has made good progress towards gender mainstreaming in the Civil Service. Gender equality work is now recognised as part of the mission of the Civil Service. The Gender section itself is part of the organisation of the Civil Service Department. The report shows that the section is instrumental in promoting equality and the position of women in the civil service sector. Three fields seem to be of particular importance; gender training of civil servants, development of Equal Opportunity Policies for the various ministries, and capacity development of individual women so they can compete for managerial positions. The main weakness is that the Section to a large extent depends on the capacity and competence of one person.

So far, the National Bureau of Statistics and the Tax Revenue Authority have developed equal opportunity plans with the help of the Gender Unit. CSD has also given Gender Unit the task to formulate an equal opportunity policy for the civil servants and the development of this policy is underway.

Tanzania Revenue Authority has held a Top Management Gender Awareness Seminar which aimed at interpreting roles and responsibilities towards creating gender responsiveness at TRA, a report on the knowledge, attitudes and practices on gender at TRA was presented and discussed in this forum. The Human Resources Development Programme Board visited the National Tax Board of Sweden. Tendering for the refurbishment of the Institute of Tax Administration was completed successfully and construction is underway. The Regional Motor Vehicle Registration sites are currently being visited by a team from the head office.

Support to the *National Bureau of Statistics* will come to an end in June 2000. The current programme is running smoothly and NBS is recruiting staff needed to meet its requirements as an Executive Agency. The Government of Tanzania has, however, so far failed to identify the core statistics needed by the Government. The support to the *Census* has taken preliminary steps which include the production of a Terms of Reference for a short term joint mission on Cartography and Data Processing. So far, 60% of the cartography work has been completed. The plans for the future include: Pilot census in 2001; Census publicity to restart during 2000/2001 financial year, development of instruction manuals July 2000, training of NBS staff July 2000, pre-enumeration training 2002, post enumeration survey late 2002.

4.5 Social Sectors

i. General Education

Sweden continues to support four ongoing programmes in Teacher Education, a) In-service training of primary school teachers in key subjects such as English, Science and Mathematics, b) Distance Education Pilot Project, c) In-service training of college tutors and d) Sponsorship program for a few university students. The Teacher Education Department has critically assessed all the programs and developed a one year action plan as well as a medium term action plan within the framework of a Teacher Education Master Plan.

The Pilot Project for Publishing (PPP) is now in its last phase and within a month all titles will have been distributed to district level. To complement PPP, and to achieve the goal to have a book/pupil ratio of 1:3 a co-financed programme, the Basic Education Textbook Supply Programme has been established. It is supported by Sweden, the Netherlands, DFID and the European Union. Although BETS is not financed in a pooled fund it has a joint reporting system. BETS is a good example of better and closer donor co-ordination as a step towards the introduction of a sector wide approach.

The partnership process to find common modalities and to agree about the Education Sector Development Programme (Ed-SDP) continues. The follow up of the appraisal, held in March 1999, was delayed. One factor was that the Ministry of Education and Culture had serious problems to make their priorities within the available resource envelope identified by the Public Expenditure Review. This was finally done at the end of 1999. Efforts were also made to include more ministries in the management of the reform process. Therefore a management structure was established with a number of technical working groups starting to prepare plans for the future. As one key forum for moving the process forward and for dialogue between MOEC and donors a "power house group" was established. Donors still think that the process is moving too slowly and some donors are considering alternative ways of supporting the sector, for instance by supporting districts directly. The weak ownership in the ministry is still a problem. A new Permanent Secretary was appointed in March 2000. A consultant has been hired to find modalities for pooled funding. Another key area is to develop a joint reporting and monitoring system. In the meantime Sweden is working more closely with other donors to co-finance key sub-sector components such as educational materials and teacher education.

The current sector agreement on Swedish support on General Education ends on 30 June 2000. It has taken the Government of Tanzania 3,5 years to implement agreed activities for 3 years. The Embassy is now preparing a new two year "bridging" agreement. As soon as the pre-conditions for a sector wide approach (management system, finance management system, modalities for pooled funding, joint monitoring and reporting system etc) are in place and as soon as more donors are willing to join in, Sweden will convert the support into a budget support to the education sector as a whole.

ii. Research Co-operation

The research training program on Urban Issues in collaboration between University College of Lands and Architectural Studies and the Royal Institute of Technology has taken off. Seven Ph.D.-students are engaged and have now completed their initial coursework and have started field studies. Co-operation between senior researchers is also taking new steps such as the development of joint research training courses and joint research projects.

The Faculty of Science arranged its first Scientific Conference since the mid-eighties in March 2000. The conference exposed the wide range of research conducted at the faculty, including research on solar energy, geology, water and air pollution, bio-technology and electronics. Most of the studies had been funded through Sida's support to the Faculty Grants Scheme. Important discussions were held about the need to disseminate research results in appropriate forms to different target groups in Tanzania. A major breakthrough was the self-confidence which was manifested in the formulation that the faculty should engage in dialogue with the government on how science could contribute to Tanzanian development issues.

The EU ban on export of fish filet from Lake Victoria was lifted when Tanzania proved to have the analytical capacity to measure toxicity in the fish. One link in this chain of capacity was the Pesticide Laboratory at the UDSM Department of Chemistry, which is funded by Sida.

In the health sector some important findings on malaria mistreatment can be reported. 80% of the malaria cases are treated at home but only 20% of families know how to treat correctly. Patients who eventually go to the doctor have often already treated themselves with chlorochinin. In spite of the mothers assurances that this is the case, doctors again prescribe the same cure, leading to unnecessary deaths. The researchers also found that the sugar-coating on some makes of malaria profylaxis damps the effect of chlorochinin.

New applications for research co-operation will be submitted to Sida in May.

iii. HESAWA – Health through Sanitation and Water

The Health through Sanitation and Water Programme, HESAWA, is an integrated rural water supply, health education and environmental sanitation programme. The programme started in 1985 and in June 1999 the first year of the final four year agreement period was completed.

Strategies envisaged to ensure sustainability beyond year 2002 when the Swedish support ends include the training of Water User Groups and the use of the private sector in all aspects of programme implementation.

Districts with backlogs have finalised work from previous year and activities for fiscal year 1999/2000 have just started and initial disbursements made to the districts.

In February the mid-term review took place as stipulated in the agreement. The Review found that the Programme is basically on track, and that the Programme has been pro-active on a number of important issues. Some districts perform better than others. Based on delivery records against plans the review found an equal number of the 16 districts to be best, average and worst performing.

The team pointed out the necessity, for the last two years, to consolidate the achievements of the fifteen years the programme has run and to put in as many positive attitudes, mechanisms and systems as possible to help sustain these achievements for the future. Studies and development or trying of new methods should be minimised the last two years. The team found rehabilitation of water supply and institutional sanitation crucial to success in the end. This has to be coupled with re-training of villagers involved in operating and maintaining facilities. The team suggests that a specific rehabilitation fund be established under the HESAWA Office. This will make rapid response to requests possible and enable committed communities in districts with bad-performing administration to sustain their installations.

The review notes that the programme does not have a fully developed gender perspective but has concentrated on the situation of women. Since this work has been quite successful, the review sees no reason to change approach over the last two years.

The team noted that the phasing-out process is at risk as other donors may move in with more attractive packages, which may hurt HESAWA in terms of loyalty and commitment to implementation during the last two years. The review also sees the forthcoming elections as a potential danger, if water becomes politicised in the campaign.

4.6 Productive Sectors

i. Infrastructure – Telecommunications

Sida is co-financing the World Bank led Telecommunication Restructuring Project (TRP) to establish a market oriented regulatory framework, to facilitate commercialisation and corporatisation of the telecommunications company, TTCL, and expand basic services. The physical activities are approaching finalisation with basically only the “Wireless in the Local Loop”, the WLL project still remaining. Sida is financing consultancy services for the contract supervision.

The privatisation of the national landline operator, TTCL, has come into question as only insignificant overseas telecom operators have shown interest. The mobile service, however, is growing strongly. The last World Bank Telecom Mission identified regulatory problems as the single biggest constraint to the development of telecommunications in Tanzania and the Bank is preparing a new project which will support utility regulation. In the mean time, the World Bank has recommended Sida to consider providing short term assistance to the telecom regulator, the Tanzania Communications Commission, TCC in the areas of: (i) interconnection, and (ii) licens-

ing of service providers. INEC-Infra will be asked to appraise these two studies for possible Swedish financing.

ii. Infrastructure – Energy

Tanzania is facing formidable challenges as it is embarking upon a restructuring of the power sector, including privatisation of TANESCO, the national power company, at the same time as the power system development must continue to meet ever increasing demands, but now under “market-driven” conditions. The World Bank is financing enabling restructuring consultancy studies through the Presidential Parastatal Sector Reform Commission, PSRC. Sida has financed an initial consultancy study for the Ministry of Energy and Minerals, MoEM, highlighting the strategic challenges facing the Government and advising on how to establish a “strategic preparedness”.

In early April, a seminar on the Sida financed Energy Policy Review was organised for members of parliament in Dodoma with the Swedish Ambassador providing an introductory address. The new Energy Policy should be finalised within the next few months.

Sida is financing parts of the new 180 MW Lower Kihansi Hydro Power Station. This project is approaching a technically very successful finalisation in spite of some geological problems which caused a redesign and relocation of the power house during the construction period. The Kihansi HPS will end up having cost a very favourable \$1500/installed kW and will produce very cheap electricity, around 2.7–2.8 UScents/kWh. This should be compared to TANESCO’s attempts to reach 9 UScents/kWh (average) for its sold electricity. Monitoring environmental studies during the construction period have found several endemic species (three plants and one toad) in the Kihansi Gorge that have not been found anywhere else in the world. The ecosystem in the Gorge appears sensitive to changes and especially the toad seems to totally depend on the spray from the waterfall to survive. Various levels of by-pass flow and mitigation actions have been proposed and discussed. The World Bank has proposed a review to address the issues with inclusion of all stakeholders.

A rehabilitation of Tanzania’s most important hydropower station, Kidatu, is co-financed by Sweden and Norway, with Sida as lead agent. The unforeseen problems encountered have been overcome during the rehabilitation. In April a rehabilitated second turbine was put into operation.

Following completion of tender documents for the Ubungu Substation, tenders for the supply and installation of the equipment have been floated and site visits for the tenderers arranged.

iii. Land Management and Environment

A formative evaluation of the Land Management Project, LAMP was commissioned in November 1999. The evaluation focused on the future of LAMP in the four districts of Simanjiro, Babati, Kiteto, and Singida rural. The main objective of the formative evaluation was to situate LAMP in the

context of on-going policy, administrative and economic changes in Tanzania as well as the on-going economic reforms globally.

The outcome and recommendations from the formative evaluation as well as previous reports by the semi-annual follow-up team formed the basis of discussions in the semi-annual review meeting. The major purpose of the review was to discuss a one year prolongation of the present agreement for Local Management of Natural Resources Programme (LMNRP). Initial preparations of a new long-term agreement of the LMNRP programme were also discussed during the semi-annual review. The Ministry of Regional Administration and Local Government will submit a request and project document for the extension phase to the Embassy before April 30 2000. It was also agreed that due to the coming elections, planning for the next phase should start in good time before September 2000. Each district should then prepare a preparation plan indicating time, activities, decisions needed, extra resources, etc.

The National Environment Management Council, NEMC started utilising the two year bridging support actively from October 1999. Between May and September 1999 NEMC activities had mainly concentrated on strategic planning, consolidation and re-organisation of internal structures. Thus, most of the activities planned for the first and part of the second quarters were undertaken in the second and third quarter.

iv. Private and Financial Sector Development

An agreement on support to the formulation of a *National Trade Policy* was signed between Sida and the Ministry of Industry and Trade (MIT) in October 1999. The discussions with the ministry regarding support to a Capacity Building Project progressed, and a revised and final Project Document will be submitted to Sida in April.

The work under the *Integrated Framework for Trade Development*, co-ordinated by the MIT, continued. A high level consultative meeting, in which government officials and representatives of the private sector and academia participated together with several donor agencies, took place in October 1999.

A third company was listed on the *Dar es Salaam Stock Exchange* (DSE) in November 1999. The company, Tanzania Tea Packers Ltd, is the first private company to float its shares on the Stock Exchange. Preparatory work for a Mid-Term Review of the Swedish support to DSE and the Capital and Securities Authority was initiated.

The planned support to upgrade the capacity of the *Tanzania Bureau of Standards* was re-activated in early 2000.

A workshop for the *Tanzania Chambers of Commerce, Industry and Agriculture* was held in February. The purpose of the workshop was to develop the goals and priorities for the Chamber network during the years to come, and to translate this into a five-year Business Plan.

The promotion of business-to-business relationships between Swedish and Tanzanian entrepreneurs continued according to plan within the framework of the *Enterprise Development Programme*. One Start South loan was approved for financing during the period.

The investment-related work carried out by the two *risk-capital funds*, Tanzania Venture Capital Fund and Fedha Fund, continued according to plan. Discussions on support to development-oriented venture capital in the Lake Zone region was initiated between Sida and DFID.

4.7 Culture and Media

i. Country Programme

The Tanzania Culture Trust Fund honoured seven Tanzanian individuals for their outstanding contribution to the culture sector, during the Culture Award ceremony known as “ZeZe” held in March at the Village Museum. The awards were in the categories of the Best writer, Best Kiswahili Developer, Best Film Actor, Best Photographer, Best Script Writer, and Best Fine Artist.

The Secretariat has received 184 applications for culture grants for year 2000 and is processing them. The 7th Board meeting, decided that the Chair shall be only for one year due to the work involved.

The Media Council of Tanzania suffered a set back after bandits broke into the premises and stole computers, printers, television and video set and other items as well as damaging the property. The national insurance company have assessed the damages and are processing their claim but this can take one year to complete. The Council has taken measures to tighten security. In February the Council launched a monthly newsletter – “Media Watch”.

The Ministry of Education and Culture finally have integrated *Children Theatre Project and the Education for Democracy* – Secondary School Girls Theatre Project “TUSEME” – (Let Speak) into the Education Programme. The Department of Arts, Music and Theatre of the University of Dar Es Salaam will continue to co-ordinate the two projects with co-operation of the Ministry.

The “TUSEME” week festival took place in March. Fourteen Girls secondary schools from twelve regions took part this year, which was an increase from seven schools in 1999. Activities included performances, drama, discussion, and workshops in mathematics, communication skills, drama, and drawing. The girls also had a chance to visit different faculties in the University of Dar es Salaam and meet some influential women in the city. Students from Kenya, Uganda, Ethiopia attended the event, sponsored by the Eastern African Theatre Institute, EATI. Some secondary schools girls from Rwanda also attended and were sponsored by FAWE. It is good to note that the TUSEME programme has gained a regional outlook.

The agreement between Sida and *The Children's Book Project* came to an end in February. Plans are underway to finance short term activities until a new Basic Education Agreement comes into place in July, 2000. The projects have presented an evaluation report.

The Swedish – Tanzania dancing co-production – "Siluett" toured Tanzania and Kenya in January and February. Sponsored by Sida, "Siluett" was performed in Bagamoyo, Dar es Salaam, Zanzibar and Arusha in Tanzania. The media coverage was good. The performance was shown for two hours on three different days by a major television station and there were interviews and television coverage by other stations.

ii. Regional Programme

A regional follow-up visit to the projects in Uganda, Kenya, Ethiopia and Tanzania was made during the month of December by the Deputy Head of Culture & Media Division, in Sida Pelle Knutsson and National Programme Officer for Culture & Media from the Embassy in Tanzania. The visit reviewed support with Eastern African Institute (EATI), Community Radio Programme, the East African Book Development Association and new areas in the media sector. There was an update on performance achieved, problems faced and work undertaken discussed and this has improved co-ordination and set up precedence for better relations between the projects and Sida. There was agreement on the modalities and work plan for 2000 for the projects in relation to disbursement, external audit reports and evaluations.

The Eastern African Theatre Institute EATI. Except for Uganda all National Chapters are registered and have signed the agreement. A regional festival will take place in Ethiopia during the month of October, 2000. The theme for the festival is Children and Youth and each National Chapter is preparing children and youths' groups for the event. The Secretariat, in Dar es Salaam, is equipped with computer and other office machines to facilitate the regional work. The objective of EATI is to create a forum to promote theatre development and enable the practitioners to co-operate around common areas of interests including training, skill development, co-production, outreach theatre and community theatre.

4.8 Strategic Development Fund

An agreement for SEK 5 million was signed in March, 1999 on a Strategic Development Fund (SDF), but the first disbursements under the fund did not take place until October, 1999. The main objective of the fund is to support social and economic reform processes in Tanzania. Prioritized areas for support are to strengthen the Government's capacity to carry out the economic reform programme, the implementation of a national anti-corruption programme, innovative initiatives aiming at poverty alleviation, in particular relating to the situation of children and youth, decreased aid dependency and the promotion of a broader partnership-based bilateral co-operation. Applications can be received from government agencies, civic

society and business associations. The Embassy and the Ministry of Finance make joint decisions on which applications to support.

So far support has been granted to the Economic and Social Research Foundation (institutional support), Kiteto District Council (urban activities), Ministry of Community Development, Women Affairs and Children (Revision of the Child Development Policy), the Economic Research Bureau (seminar on the legacy of Nyerere), Bank of Tanzania (Census of private foreign investors) PER update for the education sector, the Household Budget Survey, and the Kilosa Malaria Project.

A new agreement is planned to start from 1 July, 2000.

4.9 Technical courses

Every year Sida provides scholarships for Tanzanians to participate in International Training Programmes in Sweden. The training is organised in a number of technical and administrative fields, primarily in the form of courses and seminars, where Sweden has a considerable level of expertise to offer. In most cases costs for international travel has to be paid by the recipient except for a few exceptional courses where full sponsorship is provided.

During the period September 1999 to April 2000, a total of 40 Tanzanians participated in Sida's International Training Programmes, out of whom 14 were women. The participation was in the following areas: Governance, Democracy and Human Rights (7 persons), Social Services, Health, Education and Community Planning (7), The Enabling Environment, Public Institutions and Services (5), Infrastructure, Telecommunications, Energy and Transport (11), Industrial Production; Management and Technology (4), Agriculture Production and Distribution (2), Environment, Land Use and Natural Resources Management (4). The most popular courses with more than 15 applicants were: 'Small and Medium Enterprise Management Development', and 'Human Rights'.

4.10 Support through Swedish NGOs

Tanzania receives significant support from Swedish NGOs. The total Sida disbursements through Swedish NGOs in 1998 were MSEK 26. Figures for 1999 are not yet available. The main sectors of co-operation are education, health, and human rights and democracy. The most important Swedish NGOs in Tanzania are:

- Foundation of Swedish Pentecostal Aid to Developing Countries (PMU)
- ForumSyd,
- Church of Sweden Mission,
- Swedish Missionary Council,
- Swedish Organisation of Handicapped International Aid Association (SHIA),
- Secretariat of International Trade Union Development Co-operation (LO/TCO)
- Swedish Red Cross

5. Administration

The following staff changes have taken place at the Embassy.

The Foreign Ministry post as First secretary, Consular and Administration, was phased out in January 2000. The incumbent Ylva Gabrielsson left the post on January 12, 2000.

The Bilateral Associate Expert for Environment, Tomas Andersson, ended his contract in January, 2000. He will return to Sida in October, 2000. The post has been replaced by a Bilateral Associate Expert in Information (see below)

The local Programme Officer for democratic governance, Nora Pendaeli, was on maternity leave and was replaced for three months by Carl-Fredrik Birkoff from Sida Division for Good Governance (DESA).

From January 1, 2000 Jane Kibbassa has been upgraded to Programme Officer for Land management and Environmental projects.

A post for Private sector development was established and the incumbent, Kristina Kuhnel, took up the post on March 5, 2000. She comes from Sida's Department for Infrastructure and Economic Co-operation (INEC) .

Carina Sundqvist started as Bilateral Associate Expert at the Embassy on March 3, 2000. She will work as an Information Officer responsible for media contacts with Tanzania and Sweden, information about development co-operation and culture activities.

Appendix i

	jun-97	sep-97	dec-97	mar-98	jun-98	sep-98	dec-98	mar-99	jun-99	sep-99	dec-99
GDP Growth (%)	3.9			3.3		3.6		3.6		4.6	
CPI change (%)	16.4	16.1	15.4	13.4	12.1	12.1	11.2	8.8	7.7	7.3	7.0
Money Growth M3 (%)	18.3	16.1	13.3	15.1	7.7	6.9	10.8	10.5	9.2	15.9	17.0
Exchange rate TAS/USD	630.6	623.3	631.3	668.6	662.3	669.5	679.2	692.2	721.7	797.2	797.4
<i>Annual interest rates</i>											
Discount rate (%)	13.4	17.8	16.2	18.2	17.2	19.2	17.6	15.2	12.2	18.0	20.2
Treasury Bills Weighted average (%)	7.1	13.2	11.4	14.5	12.4	14.2	11.8	10.6	7.0	13.2	15.5
Bank account tied 12 months end of quarter (%)	10	10.1	10.5	10.9	10.9	10.7	11.5	11.2	10.9	10.7	10.4
Lending rate short term average (%)	25.8	24.3	23.3	22.2	22	22.1	22.4	22.0	21.6	21.6	20.5
<i>Government budget (12 months rolling figures (billion TAS))</i>											
Government revenue	572	500.4	510.3	610.5	619.1	787.7	978		700.4	157.4**	342.6
Government Recurrent Expenditure	557.1	547.6	550.2	642.1	698.3	820.8	943		835.9	180.8**	375.5
Budget Deficit	14.9	-47.2	-39.9	-31.6	-79.2	-33.1	35		-7.1*	-23.4**	-14.9
<i>Trade deficit (million USD)</i>											
Import	1387.7	1371.6	1337.7	1297.1	1401.5	1453.5	1453.5	1531.9	1125.3	1421.1	1418.6
Export	793.6	777.7	717.1	671.6	644.9	690.8	676	610.2	483.6	500.9	541.0
Trade Deficit	-594.1	-593.9	-620.6	-625.5	-756.6	-762.7	-777.5	-921.7	-641.7	-920.2	-877.6

Source: BOT Statistics. Please note that some figures are revised and changed afterwards by BOT, and therefore the data provided in this table may not correspond to some of the data provided in previous reports.

*Overall deficit, after grants and checks cleared. Deficit before grants was Tsh -135.6 million. Source: ESRF Quarterly Economic Review.

** From Financial year 1999/00 the budget figures used are cumulative from July, not 12 month rolling, since this is a more interesting measure of Government budget performance.

Appendix ii

SWEDISH DEVELOPMENT COOPERATION WITH TANZANIA 1999 - 2002

(All amounts in million SEK)

		1999		2000	2001	2002
	Core Program	240,0		260,0	280,0	300,0
	Balance from previous year	86,0		57,2	19,9	(30,2)
	TOTAL ALLOCATION	326,0		317,2	299,9	269,8
		Disbursed	Disbursed	Planned disbursements		
		1999	2000*	2000	2001	2002
CSR	Civil Service Reform, incl TRA	33,4	3,7	50,0	65,7	64,2
INFRA	Energy*	65,2	(11,0)	53,7	69,6	70,0
	Telecommunications	28,3	1,4	0,5	3,5	0,0
SOCIAL	Final Phase - Hesawa	34,2	9,5	33,6	30,0	10,7
and	District development program			5,0	5,0	15,0
NATURAL	Education - General	60,3	6,7	54,5	75,0	75,0
RESOUR-	Education - Voc. Training	0,9	0,0	-	-	-
CES	Natural Resources	38,1	10,0	39,4	39,9	40,0
	NEMC	3,0	2,5	5,3	5,0	5,0
	Health	1,3	0,0	-	-	-
OTHER	Staff and administration	0,2	1,1	7,2	6,9	7,1
	Strategic Development Fund	0,8	0,6	6,0	4,0	4,0
	National Elections 2000	0,0	1,6	20,0	-	-
	Culture	2,1	2,1	4,8	4,5	7,0
	HR/dem (For 1999: AWEPA)	1,0	0,0	9,2	15,0	20,0
	Private Sector Development	0,0	0,0	8,1	6,0	6,0
	TOTAL CORE PROGRAM	268,8	28,2	297,3	330,1	324,0
	Regional	4,1	3,8	5,0	5,0	5,0
	Special Programmes	9,9	1,0	3,0	3,0	3,0
	Environment	0,9	0,0	1,0	2,0	2,0
	Humanitarian assistance	20,8	4,0	8,5	n/a	n/a
	Democracy & Gender, Culture	3,0	1,2	5,0	5,0	5,0
	Balance of Payment *	0,0	0,0	160,0	80,0	80,0
	Swedish NGO's (tent)	n/a	n/a	30,0	30,0	30,0
	Research cooperation	38,5	8,6	30,0	30,0	30,0
	Private and financial sector dev	13,7	2,0	8,7	6,0	6,0
	Technical courses (tent)	n/a	n/a	4,0	4,0	4,0
	TOTAL DISBURSEMENTS	359,7	48,8	552,5	495,1	489,0

All numbers of planned BoP support disbursements are indicative and subject to government decision.

Planned support to military retrenchment has been taken out of the planning figures due to delays in the process on the Tanzanian side.

The projected country frame for 2001 and 2002 is based on the assumption of increasing allocations to Tanzania during the new country strategy period, but is subject to government decision.

* The total disbursements so far for 2000 seem lower than what is actually the case since there has been a large payment **into** Sida's accounts from the Norwegian co-financier in the energy sector.

COOPERATION WITH TANZANIA

1994/95 - 1999

(All amounts in million SEK)

		1994/95	Disb 95/96 18 months	1995/96 18 months	1997	1998	1999
	Core Program	295,0		390,0	260,0	260,0	260,0
	Balance from previous year	197,0		330,1	448,6	345,6	292,3
	TOTAL ALLOCATION	492,0		720,1	708,6	605,6	552,3
		Disbursed 1994/95	Disbursed 1995/96	Planned disbursements			1999
				1995/96	1997	1998	
SAP	Import Support	0,3	35,0	From 94/95 outside the indicative allocation			
	Public Finance	17,5	8,8	4,6	20,0	20,0	20,0
	Consultancy Fund	-	-	-	-	-	-
INFRA	Energy	21,7	29,4	46,7	106,0	85,0	79,5
	Telecommunications	6,9	34,6	53,3	69,0	42,0	0,0
SOCIAL	Water - Hesawa	36,8	25,0	16,8	50,0	50,0	50,0
	Education - General	24,6	42,5	32,6	50,0	50,0	0,0
	Education - Voc. Training	16,5	12,5	21,8	30,0	30,0	0,0
	Forestry & Environment	25,3	14,7	7,1	34,0	34,0	45,0
	Health	8,8	3,5	8,4	3,5	2,3	0,9
OTHER	Staff Houses	0,3	0,3	2,0	-	-	-
	Rwanda Refugees	3,2		7,0	-	-	-
	Gender	-	0,4	1,5	0,5	-	-
	National Elections	-	16,4	20,0	-	-	-
	TOTAL CORE PROGRAM	161,9	223,1	221,8	363,0	313,3	195,4
	Regional	9,3	0,0	5,0	5,0	-	-
	Special Programmes	6,1	0,3	8,0	8,0	20,0	15,0
	Environment	1,0	0,4	4,0	7,0	10,0	10,0
	Democracy & Gender	14,8	0,1	14,2	1,3	2,0	2,0
	Balance of Payment	0,0	0,0	149,7	130,0	130,0	130,0
	NGO's	36,5	n a	50,0	50,0	50,0	50,0
	SUB TOTAL	229,6	223,9	452,7	564,3	525,3	402,4
New Sida sectors	Research cooperation	23,4	11,8	23,5	22,0	22,0	22,0
	Enterprise development	5,0	1,3	5,0	10,0	10,0	10,0
	Technical courses	0,0	n a	5,0	5,0	5,0	5,0
	TOTAL New Sida Sectors	28,4	13,1	33,5	37,0	37,0	37,0
	TOTAL DISBURSEMENTS	258,0	237,0	486,2	601,3	562,3	439,4

Appendix iii

List of publications received

Phase IV Mid-Term Review of the HESAWA Programme in Tanzania, March 2000

Recommendation based on Household food Economy Assessments in Dodoma, Singida and Arusha Regions, October 1999. Study carried out by Save the Children Fund (UK) with assistance from ECHO and WFP/DFID.

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